

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 CEA-01 DODE-00
PM-04 H-01 L-03 NSC-05 PA-01 PRS-01 SS-15 /085 W
-----037783 131835Z /40

R 131339Z JUL 77
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC 2331
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L SECTION 1 OF 2 AMMAN 3912

E.O. 11652: GDS
TAGS: EAID, ECRP, EFIN, JO
SUBJECT: GOJ 1976 CASH FLOW

REF: A) AMMAN A74, DTD SEPT 14, 1976,
B) AMMAN A48, DTD JUNE 8, 1976,
C) AMMAN 0099, D) AMMAN 3237

1. SUMMARY: AT EMBASSY REQUEST, GOJ MINISTRY OF
FINANCE RECENTLY PROVIDED EMBASSY WITH FINAL
(PRELIMINARY) CASH FLOW STATEMENT FOR CALENDAR
YEAR 1966. STATEMENT WAS PROVIDED WITHOUT COMMENT
OR ELUCIDATION. SUBSEQUENTLY, IN RESPONSE TO
REQUEST FROM AMBASSADOR TO MINISTER OF FINANCE,
MINISTRY PROVIDED CASH FLOW STATEMENT FOR FIRST SIX
MONTHS OF 1977, AND UNDERSECRETARY OF FINANCE
EXPLAINED TO EMBASSY OFFICER DETAILS OF BOTH
STATEMENTS. REVISED 1976 CASH FLOW STATEMENT IS FOR-
WARDED TO DEPARTMENT LARGELY FOR THE RECORD. EXPLANATORY
COMMENTS OF UNDERSECRETARY THAT ARE OF PRESENT
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INTEREST ARE LIMITED PRIMARILY TO BREAKDOWN OF ARAB
BUDGET SUPPORT RECEIVED DURING 1976. SEPTTEL ON
CASH FLOW STATEMENT FOR JANUARY 1 THROUGH JUNE 30, 1977
FOLLOWS. END SUMMARY.

2. THERE FOLLOW GOJ CASH FLOW STATEMENTS FOR CY 1976.
FOR PURPOSES OF COMPARISON, ESTIMATED 1976 CASH FLOW

PROVIDED TO EMBASSY LAST JULY, WHICH WAS BASED ON
ACTUALS FOR FIRST HALF OF THAT YEAR, IS ALSO
REPRODUCED. GOJ DID NOT PREPARE CASH FLOW STATEMENT
FOR FIRST THREE-QUARTERS OF 1976.

| | 1976 CASH FLOW (ACTUAL/PRELIMINARY) (JD MILLIONS) | 1976 CASH FLOW (EST. 7/1/76) (JD MILLIONS) |
|----------------------------|---|--|
| REVENUES | 200.2 | 210.5 |
| DOMESTIC REVENUES | 110.5 | 110.0 |
| DOMESTIC BORROWING | 17.0 | 16.0 |
| DOMESTIC CAPITAL LOANS | 1.5 | 1.5 |
| FOREIGN CAPITAL LOANS(USA) | 3.5 | 7.5 |
| FINANCIAL ASSISTANCE | 67.7 | 75.5 |
| SAUDI ARABIA (KHARTOUM) | 11.0 | 11.0 |
| KUWAIT (KHARTOUM) | 8.5 | 9.0 |
| U.S.A. | 25.2 | 32.5 |
| OTHER(SEE PARA. 6 BELOW) | 23.0 | 23.0 |
| EXPENDITURES | 199.2 | 204.5 |
| CURRENT EXPENDITURES | 143.0 | 144.0 |
| CIVIL SERVICE | 62.1 | 61.8 |
| PUBLIC SECURITY | 9.5 | 9.0 |
| ARMED FORCES | 55.2 | 54.0 |
| INTEREST ON DEBT | 3.0 | 6.0 |
| REFUGEE RELIEF (1967) | 3.0 | 4.0 |
| EMERGENCIES AND SUPPLY | | |

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| | | |
|--------------------------|------|------|
| SUPPORT | 10.2 | 9.2 |
| CAPITAL EXPENDITURES | 42.5 | 46.3 |
| ORDINARY | | |
| PRINCIPAL REPAYMENT ON | | |
| FOREIGN & DOMESTIC | | |
| DEBT | 7.8 | 7.8 |
| REGULAR INVESTMENT | 6.0 | 7.2 |
| DEVELOPMENT | | |
| FIVE-YEAR PLAN PROJECTS | 28.7 | 31.3 |
| DEVELOPMENT EXPENDITURES | | |
| CARRIED FROM 1975 | 13.7 | 14.2 |

3. IN FINAL 1976 CASH FLOW STATEMENT, AMOUNT OF 21.3
MILLION JD IS RECORDED AS CASH DEFICIT CARRIED INTO
1976 FROM PREVIOUS YEAR VICE 25.8 MILLION JD DEFICIT
FROM JULY STATEMENT. THIS DIFFERENCE AND TWO OTHER
MINOR DISCREPANCIES ARE EXPLAINED AS CORRECTION OF

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INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
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SP-02 LAB-04 EPG-02 SIL-01 OMB-01 CEA-01 DODE-00
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-----049884 141122Z /13/40

R 131339Z JUL 77
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC 2332
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L SECTION 2 OF 2 AMMAN 3912

C O R R E C T E D C O P Y F O R T E X T

PRIOR DATA.

4. FIGURES TABULATED ABOVE REPRESENT ACTUAL CASH FLOW. IN ADDITION, OBLIGATIONS CARRIED FORWARD INTO 1977 INCLUDE RECEIPTS OF 19 MILLION JD. THESE ARE 7 MILLION JD ANTICIPATED DOMESTIC REVENUES, 6.5 MILLION JD IN FOREIGN CAPITAL LOANS FROM USG (I.E., DEVELOPMENT LOANS THAT ARE COUNTED AGAINST PART I BUDGET EXPENDITURES, AND RECOUPMENT FROM SALE OF PL-480, TITLE I WHEAT), POINT 9 MILLION JD FROM KUWAITI KHARTOUM PAYMENTS AND 4.6 MILLION JD IN USG BUDGET SUPPORT. IN TOTAL (I.E., ACTUAL EXPENDITURE PLUS CARRY-OVER INTO 1977) GOJ RECORDS 10 MILLION JD IN USG "FOREIGN CAPITAL LOANS" TO HAVE BEEN EXPENDED IN 1976; THESE INCLUDED DEVELOPMENT LOANS FOR ROADS (\$4 MILLION), SCHOOL CONSTRUCTION (\$7 MILLION) AND ESTIMATE OF RECOUPMENTS FROM RESALE OF PL-480 WHEAT (PROBABLY OVER-
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ESTIMATED BY GOJ). OF THIS TOTAL, 3.5 MILLION JD WAS ACTUALLY SPENT IN 1976, LEAVING 6.5 MILLION AS CARRY OVER INTO PRESENT YEAR. POINT 9 MILLION JD CARRY OVER IN OVERDUE KHARTOUM PAYMENTS FROM

KUWAIT RESULTS FROM HISTORICAL ACCIDENT BY WHICH ALL KUWAITI KHARTOUM PAYMENTS ARE RECEIVED ONE MONTH LATE ACCORDING TO GOJ CALCULATIONS. 4.6 MILLION JD CARRY OVER IN U.S. BUDGET SUPPORT REPRESENTS \$15 MILLION TRANSFER EFFECTED IN FEBRUARY 1977 (AND IS SO CARRIED IN 1977 CASH FLOW STATEMENT). ON EXPENDITURE SIDE, 13 MILLION JD IS CARRIED FORWARD INTO 1977 IN CATEGORY OF PART I ECONOMIC DEVELOPMENT EXPENDITURES. OTHERWISE, NO EXPENDITURE OBLIGATIONS WERE CARRIED FORWARD TO 1977 IN FIANL 1976 CASH FLOW STATEMENT. IF ALL ITEMS CARRIED FORWARD WERE TO HAVE BEEN REQUITED, THEN DEFICIT CARRIED INTO 1977 WOULD HAVE BEEN REDUCED TO 15.3 MILLION JD.

5. LATEST CASH FLOW STATEMENT FOR 1976 CORRECTLY RECORDS U.S. BUDGET SUPPORT TRANSFERS OF 25.2 MILLION JD (\$15 MILLION IN FEBRUARY, \$15 MILLION IN JULY, AND \$51 MILLION IN SEPTEMBER). DIFFERENCE OF 7.3 MILLION JD BETWEEN THIS AND ESTIMATED TOTAL OF JULY STATEMENT IS ACCOUNTED FOR BY: A) GOJ ASSUMPTION THAT ENTIRE \$60 MILLION IN INTERIM QUARTER FUNDS WOULD BE TRANSFERRED AS BUDGET SUPPORT, AND B) INCORRECT ASSUMPTION THAT 4.3 MILLION JD OF OUR FY 77 BUDGET SUPPORT WOULD BE TRANSFERRED PRIOR TO END OF CY 76.

6. 23 MILLION JD IN "OTHER FINANCIAL ASSISTANCE" BREAKS DOWN, IN U.S. DOLLARS ROUGHLY AS FOLLOWS:
SAUDI ARABIA (AD HOC) \$27.4 MILLION
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ABU DHABI (AD HOC) 15.0 MILLION
ABU DHABI (AMMAN
INTL AIRPORT) 8.5 MILLION
QATAR (AD HOC) 10.0 MILLION
QATAR (AMMAN
INTL AIRPORT) 4.5 MILLION
TOTAL \$65.4 MILLION
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Message Attributes

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Disposition Approved on Date:
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